

**MEETING OF THE  
DULUTH ECONOMIC DEVELOPMENT AUTHORITY  
Wednesday, January 22, 2020 – 5:15 P.M.  
COUNCIL CHAMBERS, THIRD FLOOR, CITY HALL**

**MINUTES**

- Call To Order:** The January 22, 2020 meeting of DEDA was called to order by President McShane at 5:15 p.m.
- Present:** Nancy Aronson Norr, Craig Chilcote, Zack Filipovich, Tim McShane, Barb Russ, Roz Randorf (not yet confirmed)
- Others Present:** Robert Asleson, Chris Fleege, Adam Fulton, Frank Holappa, Chris Virta
- Absent:** Amanda Anderson, Matt Cartier

**PUBLIC TO ADDRESS THE COMMISSION**

None.

**PUBLIC HEARINGS**

- 1. RESOLUTION 20D-03: RESOLUTION AUTHORIZING CONVEYANCE OF OLD RAILROAD PROPERTY IN LINCOLN PARK TO THE STATE OF MINNESOTA FOR \$28,350.**

No public comment.

- 2. RESOLUTION 20D-04: RESOLUTION AUTHORIZING CONVEYANCE OF OLD RAILROAD PROPERTY IN LINCOLN PARK TO THE STATE OF MINNESOTA FOR \$12,150.**

No public comment.

- 3. RESOLUTION 20D-05: RESOLUTION AUTHORIZING CONVEYANCE OF EASEMENTS OVER OLD RAILROAD PROPERTY IN LINCOLN PARK TO THE CITY OF DULUTH**

No public comment.

- 4. RESOLUTION 20D-06: RESOLUTION AUTHORIZING THE CONVEYANCE OF A WATER LINE EASEMENT TO WESTERN LAKE SUPERIOR SANITARY DISTRICT**

No public comment.

**5. RESOLUTION 20D-07: RESOLUTION APPROVING A PROJECT BY DULUTH HEALTH SERVICES AND CONSENTING TO THE ISSUANCE OF TAX EXEMPT OBLIGATIONS BY THE CITY OF SCANLON, MINNESOTA**

Chris Virta with Fryberger Law Office provided some more detail. The City of Scanlon is issuing bonds and the proceeds will be used within the City of Duluth.

**APPROVAL OF MINUTES:** December 18, 2019 meeting minutes. Accepted as written.

**Vote to approve the December 18, 2019 meeting minutes:** Aronson Norr/Chilcote. Unanimous. (5-0)

**APPROVAL OF CASH TRANSACTIONS- December 1, 2019 – December 31, 2019**

Commissioner Chilcote was inquiring about a transfer between funds 866 to 860 for \$10,000. Adam Fulton indicated this was the Northspan/NorthForce initiative and was part of the agreement with AAR.

**Vote to Approve Cash Transactions:** Passed Unanimously. Chilcote/Russ (5-0)

**NEW BUSINESS**

**RESOLUTIONS FOR APPROVAL**

**6. RESOLUTION 20D-12: RESOLUTION ELECTING OFFICERS FOR THE YEAR 2020**

**Staff:** No discussion.

**Discussion:** Commissioner Aronson Norr proposed the slate of officers as follows: Matt Cartier for President, Tim McShane as Vice President, Zack Filipovich, Secretary, Craig Chilcote, Treasurer.

Commissioner Aronson Norr thanked Tim McShane for his leadership over the last three years.

**Vote to Approve Resolution 20D-12:** Passed Unanimously. Aronson Norr/Filipovich (5-0)

**7. RESOLUTION 20D-01: RESOLUTION APPROVING CHRIS FLEEGE AS EXECUTIVE DIRECTOR**

**Staff:** No comments.

**Discussion:** No discussion.

**Vote to Approve Resolution 20D-01:** Passed Unanimously. Filipovich/Chilcote (5-0)

**8. RESOLUTION 20D-02: RESOLUTION ADOPTING A SCHEDULE OF REGULAR MEETING DATES FOR THE YEAR 2020**

**Staff:** No discussion.

**Discussion:** No discussion.

**Vote to Approve Resolution 20D-02:** Passed Unanimously. Filipovich/Chilcote (5-0)

**9. RESOLUTION 20D-11: RESOLUTION APPROVING THE ISSUANCE AND SALE OF HEALTH FACILITES REFUNDING REVENUE BONDS, SERIES 2020C (ESSENTIA HEALTH OBLIGATED GROUP)**

**Staff:** President McShane skipped to this resolution to start new business. Chris Fleege explained this would be issuing conduit bonds. The Essentia team is present to answer questions.

**Discussion:** Tim McShane asked if DEDA is acting as a conduit for which DEDA will be paid a fee for this transaction. Chris Fleege explained that is correct, DEDA would receive a quarter of a percent on the amount of the bonds. Tim McShane also clarified that DEDA does not have any responsibility or liability related to the bond funding.

**Vote to Approve Resolution 20D-11:** Passed Unanimously. Filipovich/Chilcote (5-0)

**10. RESOLUTION 20D-03: RESOLUTION AUTHORIZING CONVEYANCE OF OLD RAILROAD PROPERTY IN LINCOLN PARK TO THE STATE OF MINNESOTA FOR \$28,350.**

**Staff:** No additional comments.

**Discussion:** No discussion.

**Vote to Approve Resolution 20D-03:** Passed Unanimously. Aronson Norr/Filipovich (5-0)

**11. RESOLUTION 20D-04: RESOLUTION AUTHORIZING CONVEYANCE OF OLD RAILROAD PROPERTY IN LINCOLN PARK TO THE STATE OF MINNESOTA FOR \$12,150.**

**Staff:** Robert Asleson informed the Commissioners that the intent is to convey the property to MnDOT. Used as access to a new stormwater holding facility that they will be constructing. The City has a utility line that runs underneath this property so it will contain a reservation for said easement.

**Discussion:** No discussion.

**Vote to Approve Resolution 20D-04:** Passed Unanimously. Filipovich/Aronson Norr (5-0)

**12. RESOLUTION 20D-05: RESOLUTION AUTHORIZING CONVEYANCE OF EASEMENTS OVER OLD RAILROAD PROPERTY IN LINCOLN PARK TO THE CITY OF DULUTH**

**Staff:** No comments.

**Discussion:** No comments.

**Vote to Approve Resolution 20D-05:** Passed Unanimously. Filipovich/Chilcote (5-0)

**13. RESOLUTION 20D-06: RESOLUTION AUTHORIZING THE CONVEYANCE OF A WATER LINE EASEMENT TO WESTERN LAKE SUPERIOR SANITARY DISTRICT**

**Staff:** No comments.

**Discussion:** Commissioner Filipovich wanted to note that he works at WLSSD.

**Vote to Approve Resolution 20D-06:** Passed Unanimously. Chilcote/Aronson Norr (5-0)

**14. RESOLUTION 20D-07: RESOLUTION APPROVING A PROJECT BY DULUTH HEALTH SERVICES AND CONSENTING TO THE ISSUANCE OF TAX EXEMPT OBLIGATIONS BY THE CITY OF SCANLON, MINNESOTA**

**Staff:** Chris Fleege indicated that representatives from Fryberger and the CEO from St. Francis to answer any questions.

**Discussion:** Commissioner Aronson Norr was looking for clarification regarding whether a class one city has to be the ones to issue bonds on behalf of the City of Scanlon, Minnesota. Chris Virta explained the authority to issue this type of bond is not restricted to cities in the first class. The City of Scanlon in the past has issued bonds for this entity (in 2011-for St. Francis Health Services.)

**Vote to Approve Resolution 20D-07:** Passed Unanimously. Filipovich/Russ (5-0)

**15. RESOLUTION 20D-08: RESOLUTION AUTHORIZING AN AMENDED AND RESTATED LAND SALE AGREEMENT WITH HAINES PROPERTIES, LLP**

**Staff:** Chris Fleege explained this is in conjunction with the Costco Development and takes care of some of the land that is required to make the transfer to position it. Frank Holappa is present also.

**Discussion:** Commissioner Aronson Norr was asking for a status on the overall project. Chris Fleege explained they are working through a development agreement currently. Adam Fulton added this project has received all required entitlements and this transaction relates to the land transaction to allow for development of this site to proceed.

**Vote to Approve Resolution 20D-08:** Passed Unanimously. Filipovich/Chilcote (5-0)

**16. RESOLUTION 20D-09: RESOLUTION AUTHORIZING THE ACQUISITION OF CERTAIN REAL PROPERTY IN THE GARY-NEW DULUTH NEIGHBORHOOD FROM THE CITY OF DULUTH RELATED TO THE REBUILD DULUTH PROGRAM**

**Staff:** Chris Fleege explained this is one of the Mayor's priorities in the State of the City address last year. This resolution positions us to be able to acquire property for the Rebuild Duluth Program.

**Discussion:** No discussion.

**Vote to Approve Resolution 20D-09:** Passed Unanimously. Filipovich/Russ (5-0)

**17. RESOLUTION 20D-10: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE OPTION AGREEMENT WITH MERGE, LLC FOR THE SALE AND REDEVELOPMENT OF THE PASTORET TERRACE BUILDING AND THE PAUL ROBESON BALLROOM**

**Staff:** Chris Fleege explained this positions us to move forward with the developer because of the ongoing litigation. When the site becomes available, the developer is very interested in proceeding.

**Discussion:** Roz Randorf asked if there are any additional hoops to jump through because this is a historic site. Chris Fleege explained that according to the SHPO agreement the City will have a lot of preservation of elements. There will be different items preserved from the building because it is a historic site. Adam Fulton added that the signed agreement with the State Historic Preservation Office that calls for three actions: 1) to document the building—this is nearly complete, just not yet finalized. 2) Creation of design guidelines for the site—staff is seeking grant funding, not just for this site, but for future sites and the segments of first street and 3) some preservation from the site. Zack Filipovich asked about if the developer has a better sense of what they would like to do with the site. Adam Fulton responded that the

reason for the amendment is because the City is unsure what the developer plans on doing. Jason Hale, the Senior Housing Developer, has been working closely with this developer in dialogue with possibilities for the site. The developer has not yet been asked to do a concept plan yet because of the pending litigation. The developer has been talking about mixed-use development, a multi-story development, some use on the first floor that could differ from the other levels. Apartments have been talked about, but has not been locked in. There was discussion around the approved demolition contract, but Council has not yet acted and there is still pending litigation. No notice to proceed has been issued to the contractor. Adam Fulton explained keeping the current façade would be too costly for the current interested developer.

**Vote to Approve Resolution 20D-10:** Passed Unanimously. Chilcote/Aronson Norr (5-0)

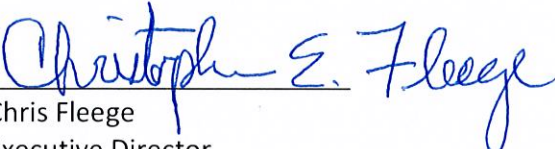
## DISCUSSION

### DIRECTOR'S REPORT

Chris Fleege thanked President McShane for his leadership and for taking on a new role with the DEDA board.

**ADJOURNMENT:** President McShane adjourned the January 22, 2020 meeting of DEDA at 5:47 p.m.

Respectfully submitted,



Christopher E. Fleege

Chris Fleege  
Executive Director  
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